

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

SIFCO Industries Inc.

Ohio Manufacturing Extension Partnership

SIFCO Industries, Inc. 'Forges' a Streamlined Corporate Culture with its SMART Continuous Improvement Initiative

Client Profile:

SIFCO Forge Group is a division of SIFCO Industries Inc. and counts among its clients Rolls-Royce, Pratt & Whitney Aircraft, Sikorsky, Hamilton Sundstrand, Bell Helicopter, and Goodrich Landing Gear. Founded in Cleveland in 1913, the company was known as The Steel Improvement & Forge Company (SIFCO), until 1969 when it was renamed SIFCO Industries. Today, the company is a world-wide forged product supplier of critical components found in most aircraft. The company specializes in forging special alloys and producing complex geometric shapes to precision tolerances for both the commercial and defense aviation industries. SIFCO Industries operates facilities in the U.S., United Kingdom, France and Sweden. The company's facility in Cleveland, Ohio employs 120 people.

Situation:

When James Woidke became COO of parent company SIFCO Industries Inc., he quickly discovered that the Forge Group's average throughput time was 8 to 12 weeks. Woidke saw the need for a continuous improvement program; one that would not be limited by the 'Lean' label. The company had done enough one-off lean projects, but the results just did not seem to last long enough. Woidke and his management team were looking for a program that would have a wider scope, a longer timeline and a bigger return on investment than a typical Lean project. "MAGNET [a NIST MEP network affiliate] was such a long-time presence here in Cleveland, that we naturally thought of contacting them," he said. "We also took advantage of a training grant from Boeing that helped us plug some of the start-up costs."

Solution:

MAGNET developed a detailed plan to help SIFCO achieve three specific goals: 1) reduce quote turn-around times from 3 weeks to less than 5 days; 2) reduce lead times by 40 percent (from 8-12 weeks to 5-8 weeks); and 3) achieve on-time delivery of 95+ percent. The program MAGNET developed had three distinct phases. Phase one included two sessions of knowledge building and hands-on exercises with SIFCO managers. In Phase Two, MAGNET professionals trained the SIFCO team in VSM techniques for both the shop floor and related office processes. Phase Three included three Kaizen events. With MAGNET's assistance, the company has turned around quotes on average in 3 days or less, reducing lead times by more than 65 percent and improving on-time delivery from 60 percent to 90 percent. In response to SIFCO's stated desire of developing its own long-term continuous improvement program, MAGNET's professionals designed the kick-off project to serve as the foundation of a new business culture called the SIFCO SMART (Streamlined Manufacturing Activities to Reduce Time and Cost) Program. By creating its own customized brand for the program, SIFCO employees take pride in ownership as the program evolved beyond its initial phase into a fully featured continuous improvement initiative. After MAGNET helped SIFCO kick off its SMART program, the company held 24 SMART events in 2009 and in 2010, it plans to hold 30 events.

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Results:

- * Increased sales by \$6.5 million.
- * Realized \$500,000 in cost savings.
- * Retained 160 jobs.

Testimonial:

"We really used MAGNET to help us establish our charter. MAGNET was instrumental in helping us create the SMART Steering Committee."

Jim Woidke, Chief Operating Officer